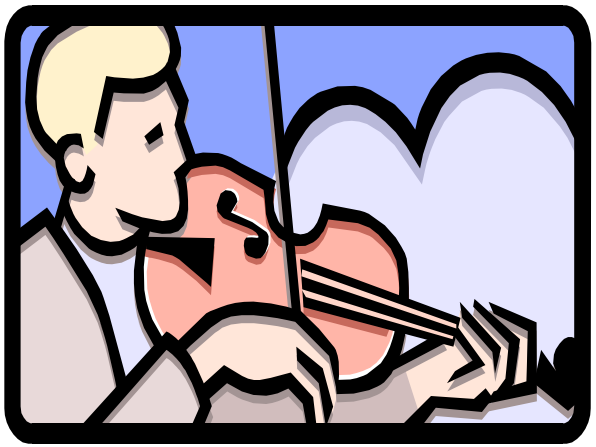
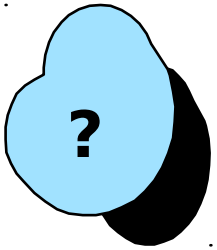
Understanding Source Selection
Per AFFARS PART 5315

An Art
or
Systematic Process?





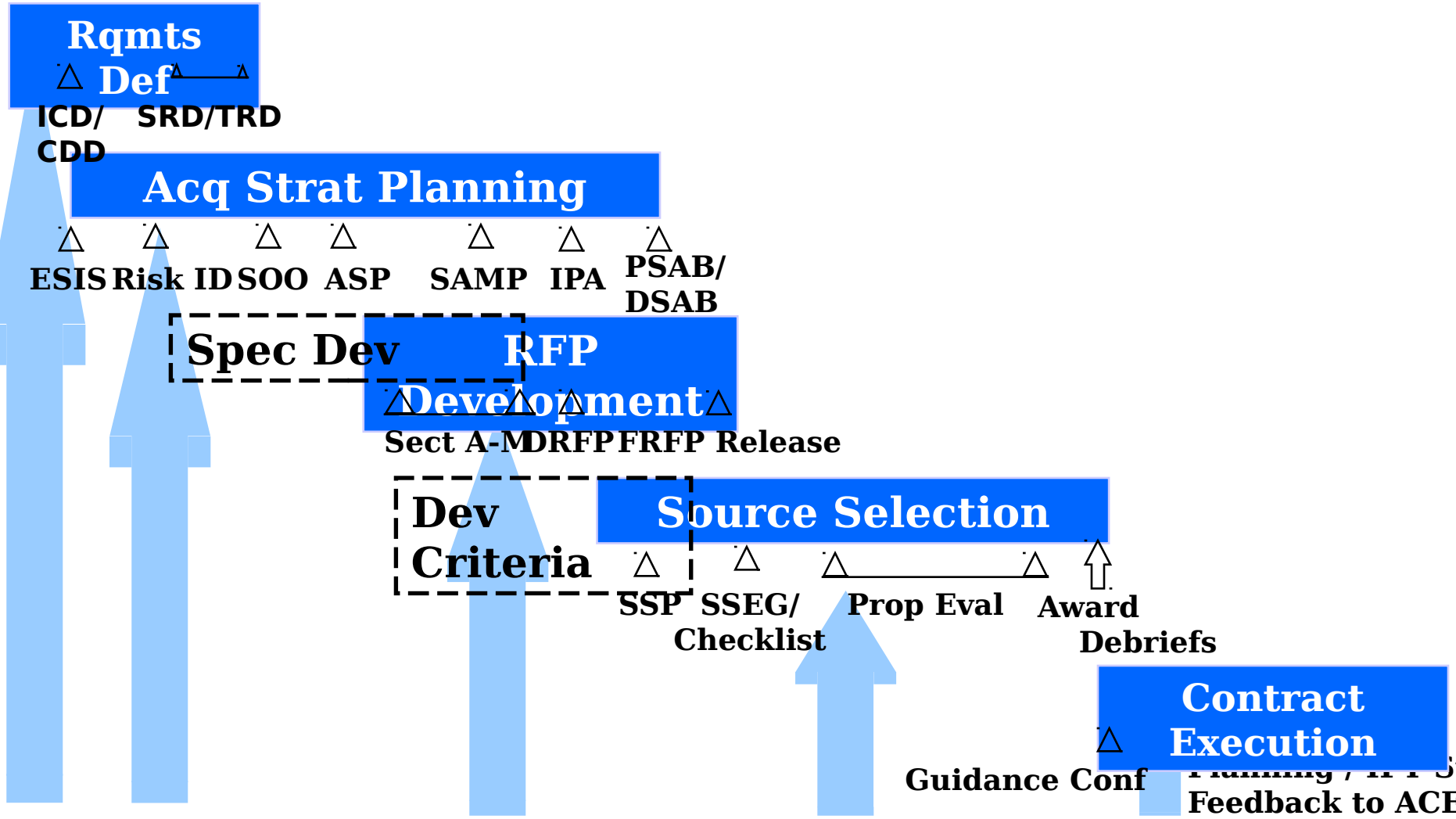
2 March 2004 (Rev a)

Acquisition Center of Excellence (ACE)
Developed by SMC/AXD
Ronald G. Martin

Outline

- Big Picture View
- Source Selection Objective
- Steps in the Source Selection Process
- SSAC and SSA Roles and Responsibilities
- Advisors and Evaluators Tasks
- Subfactor and Factor Chiefs Tasks
- Proposal Evaluation Process
- Ratings and Findings
- Final Advice

Pre-Award Process (top-level)



"SMC ACE – Guidance, Participation, Review, & Coordinations"

AF Source Selection

START

Determine Reqmnts

Risk Analysis

Create SOO

Exchanges with Industry

Industry Days

Draft RFP

Web Page

Meetings

RFP

Proposals Submitted

Lessons Learned

Debrief

Source Selection Process

Initial Evaluations

Clarifications and/or Communication

Hard Bargaining

Award

Decision Brief

92 M
97M

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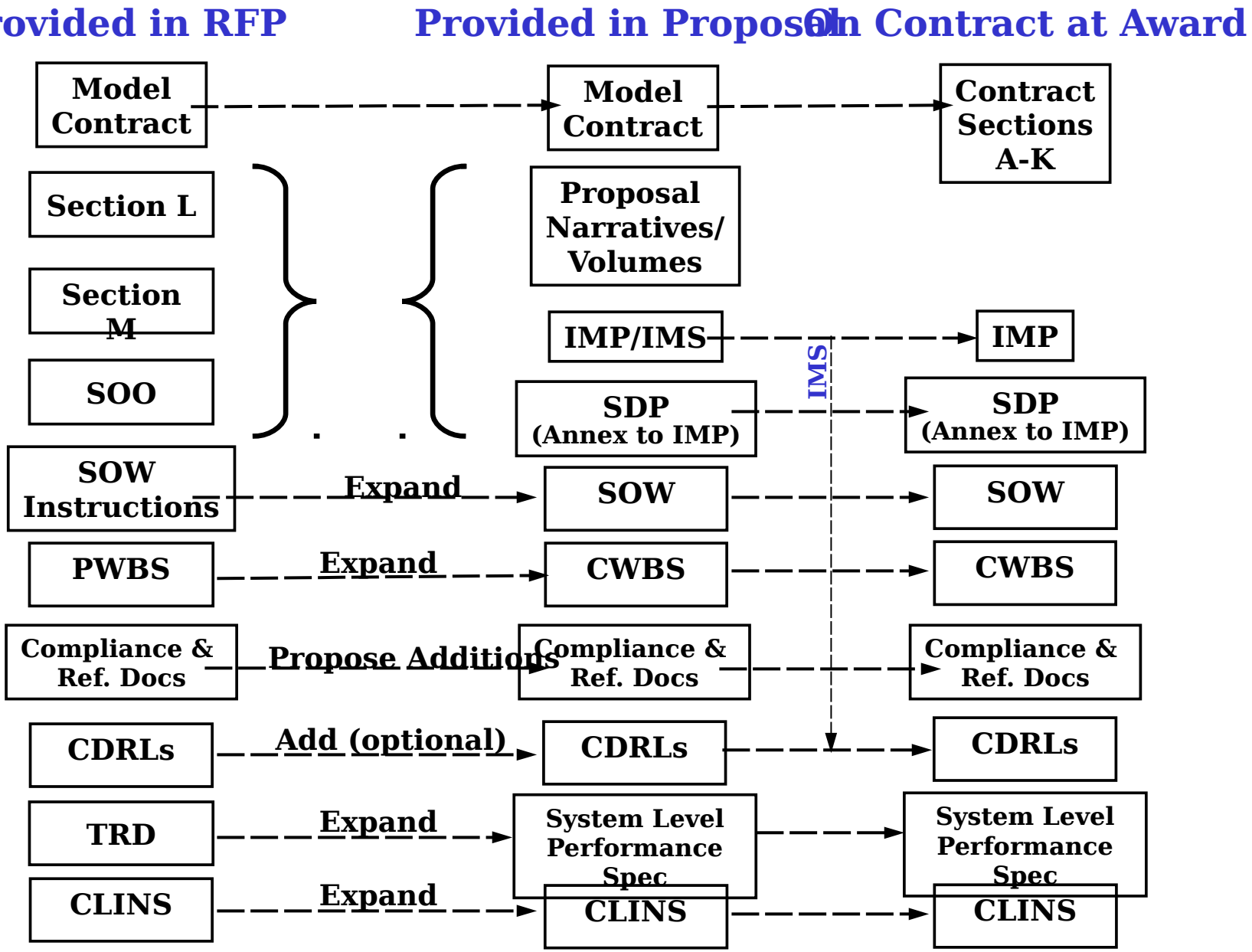
Final Proposal Revisions

Discussions

Competitive Range Briefing

Document Linkage



Source Selection Objective

"The objective of Source Selection is to select the proposal that represents the ***Best Value***"
FAR 15.302

Best Value: "The expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the requirement."
FAR 2.101

Source Selection Factors Minimum (Agency/Median SS)

- **Mission Capability (MC)** ***Briefing Focus***
  - Programmatic, Performance, Capability, and Business Aspects
- **Proposal Risk (PR)**

  Indicator of an Offeror's ability to execute the program within the proposed cost schedule, and performance baselines

- **Past Performance**

  Historical evidence of recent and relevant contract performance
- **Price/Cost**

  Most likely cost to the Government to perform proposed effort at contract completion

Each Factor uses a different evaluation process and definitions.

Exchanges

- "**Exchanges**" is a term describing the transfer of information between the Gov't and Contractor
  - Before receipt of proposals - info gathering
  - After receipt of proposals: Clarifications, Communications, and Discussions/negotiations

Limitations on Exchanges

- Govt personnel shall NOT engage in conduct that:
  - favors one offeror over another
  - reveals one offeror's sensitive info to another offeror
  - reveals an offeror's price w/o offeror permission
  - reveals names of persons providing past performance info
  - knowingly discloses source selection information (SSI)

Clarifications

- Limited exchanges, between the Govt and offerors, that may occur when **award without discussions** is contemplated.
- If award without discussions is possible, offerors may clarify
  - Relevance of past performance info
  - Adverse past performance not previously rebutted
  - Resolve minor or clerical errors
- **RFP must provide for award w/o discussions**

Communications

- Exchanges between the Govt. and offerors after receipt of proposals that leads to establishment of the competitive range
- Occurs before establishment of **competitive range**
- Resolves question of whether the offeror is IN or OUT of the competitive range

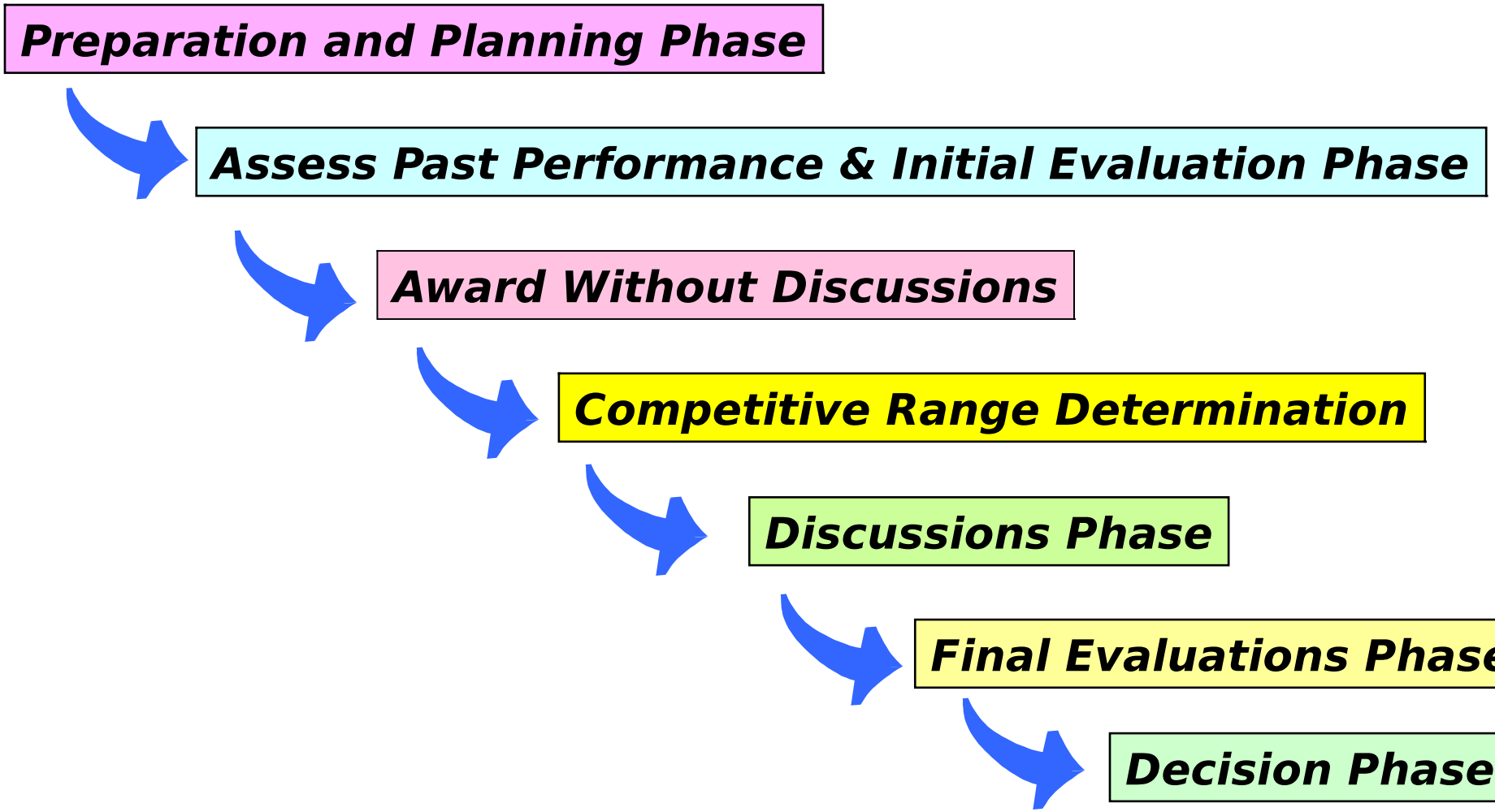
Discussions / Negotiations

- Exchanges between the Govt and offerors
- Allows offeror to revise its proposal.
- Take place after establishment of the competitive range
- Tailored to each offeror's proposal
- Conducted by the PCO with each offeror in the competitive range

Debriefing

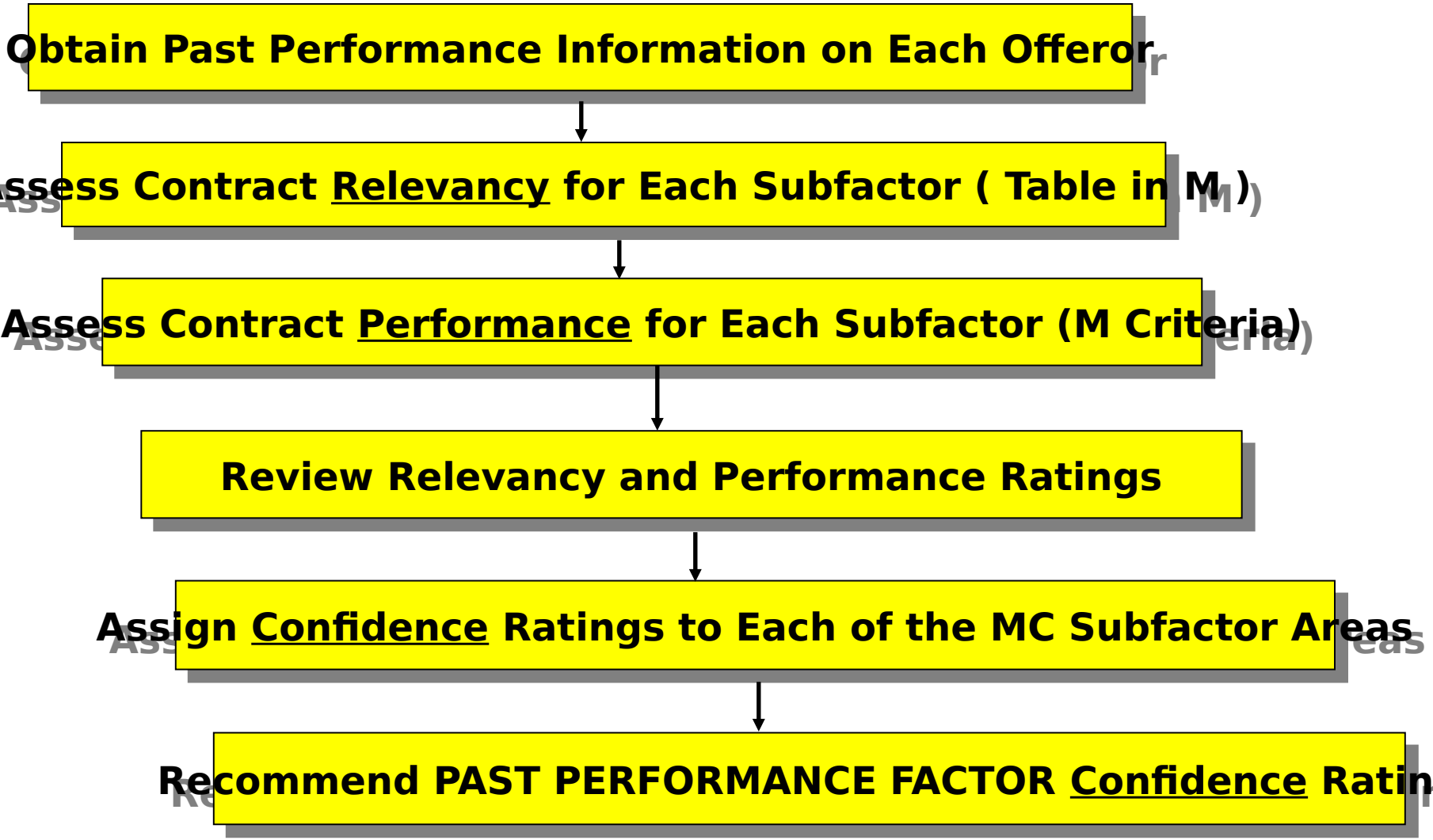
- Before award
  - Offerors excluded from competition
- Post-award
  - Both successful and unsuccessful offerors

Source Selection Process Overview

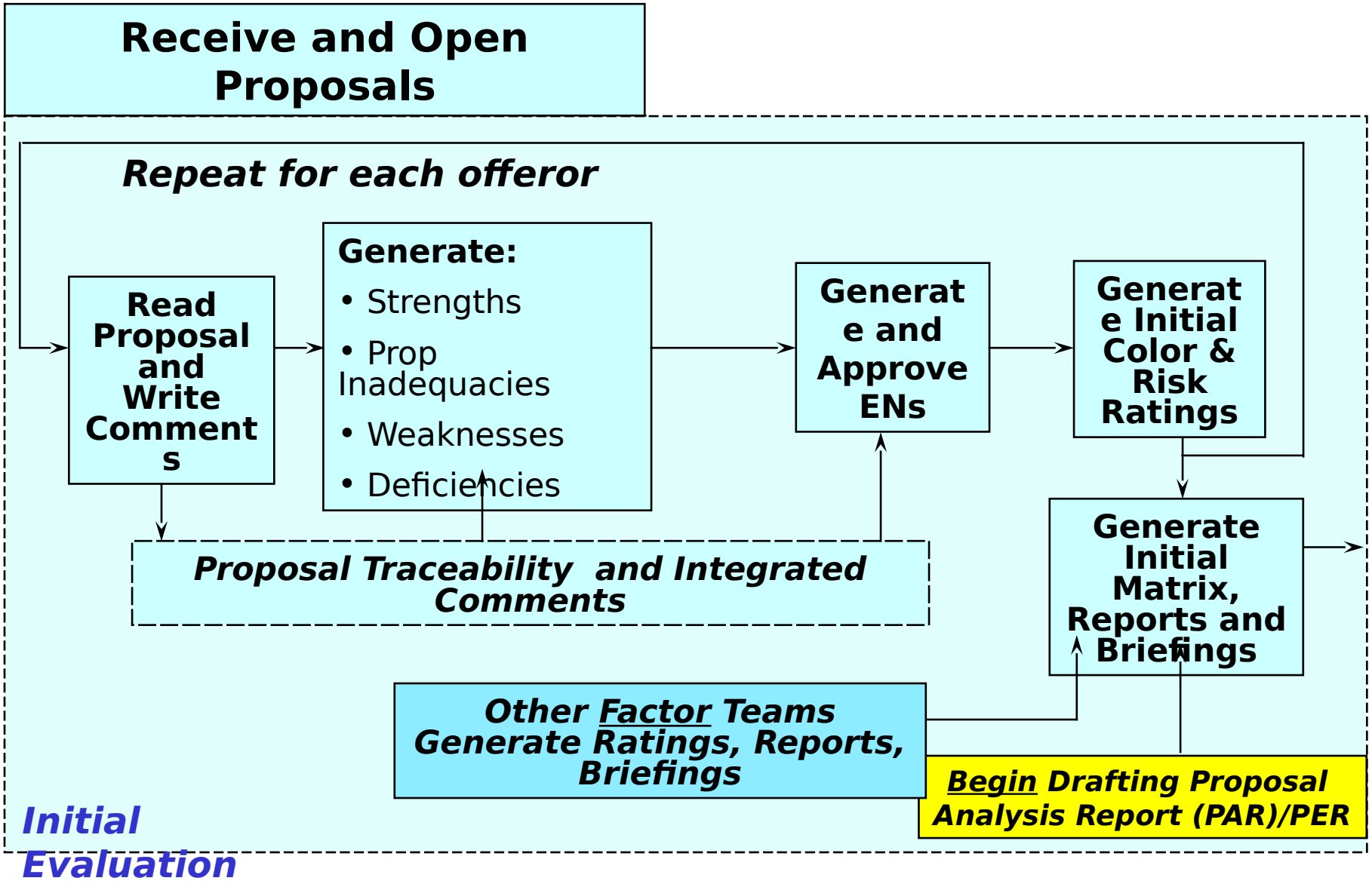


Past Performance Process

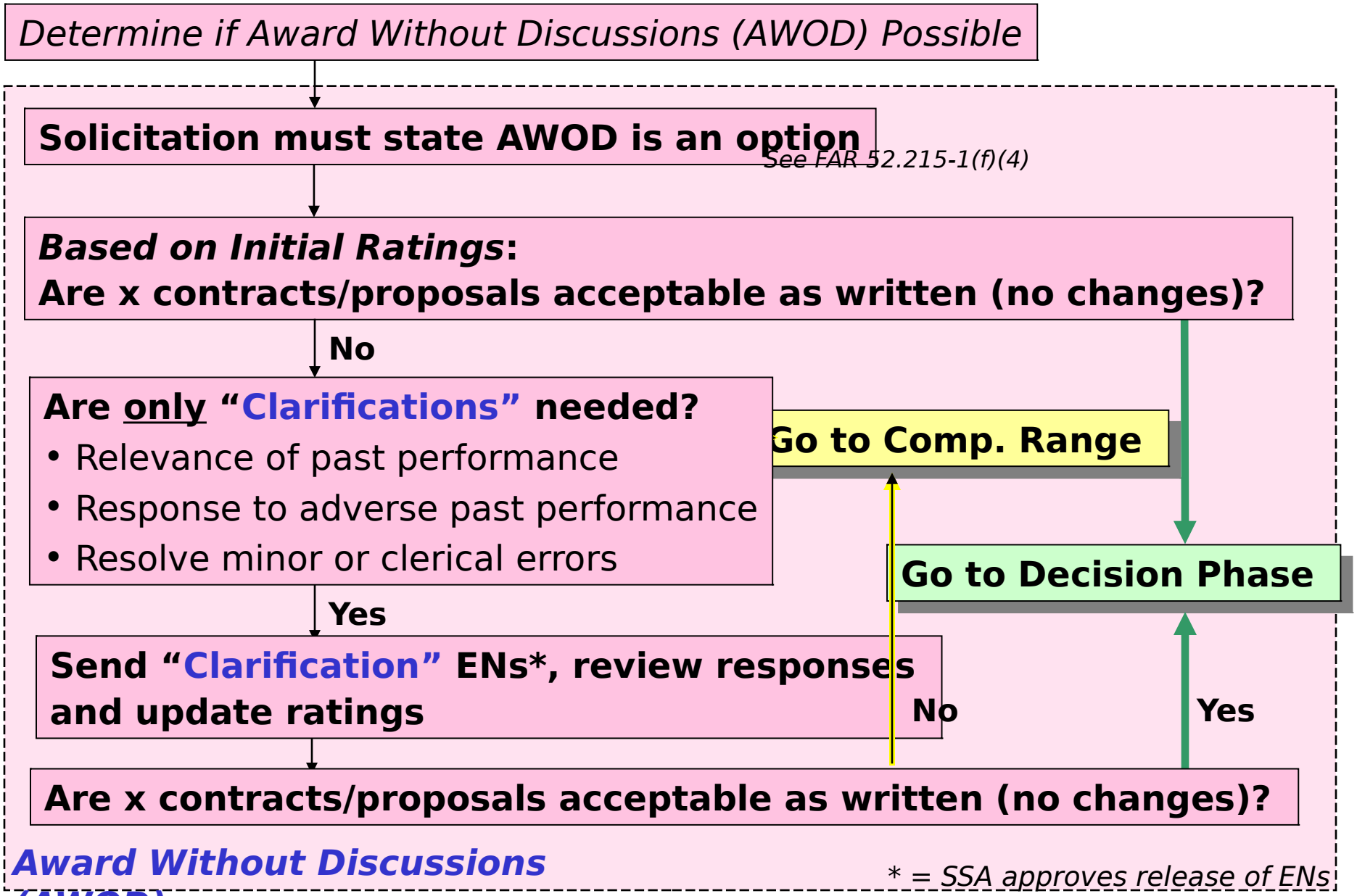
(Begins before MC/PR and Cost SSET)


Obtain Past Performance Information on Each Offeror
Assess Contract Relevancy for Each Subfactor (Table in M)
Assess Contract Performance for Each Subfactor (M Criteria)
Review Relevancy and Performance Ratings
Assign Confidence Ratings to Each of the MC Subfactor Areas
Recommend PAST PERFORMANCE FACTOR Confidence Rating

Initial Evaluation Phase



Award Without Discussions


Determine if Award Without Discussions (AWOD) Possible
Solicitation must state AWOD is an option
See FAR 52.215-1(f)(4)
Based on Initial Ratings:
Are x contracts/proposals acceptable as written (no changes)?
No
Are only "Clarifications" needed?
• Relevance of past performance
• Response to adverse past performance
• Resolve minor or clerical errors
Go to Comp. Range
Go to Decision Phase
Yes
Send "Clarification" ENs*, review responses and update ratings
No
Yes
Are x contracts/proposals acceptable as written (no changes)?
Award Without Discussions (AWOD)
* = SSA approves release of ENs
x = total # of contracts that must be awarded

Competitive Range Determination

Solicitation must notify offerors the Comp Range can be limited

FAR 15.306 (c)(2)

Does the field need to be reduced to "the most highly rated proposals"?

No

FAR 15.306 (c)(2)

Yes

Are Communication ENs needed?

- ***(Not an opportunity to revise proposal)***
- **Resolve inclusion in Competitive Range**
- **Relevance of past performance**
- **Response to adverse past performance**

No

Competitive Range Determination Briefing

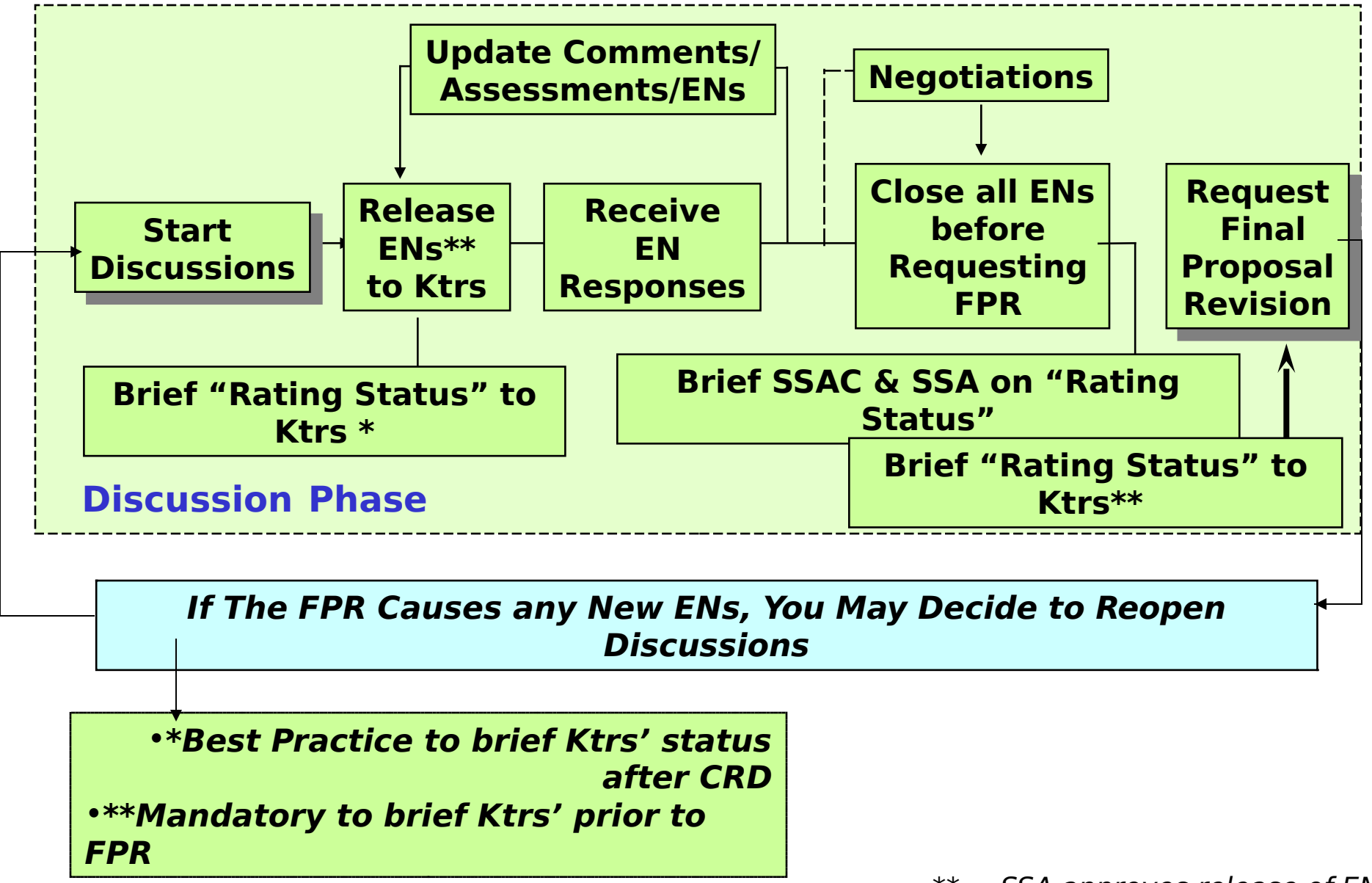
Yes

Send "Communication" ENs*, receive answers and update ratings concerns

Competitive Range

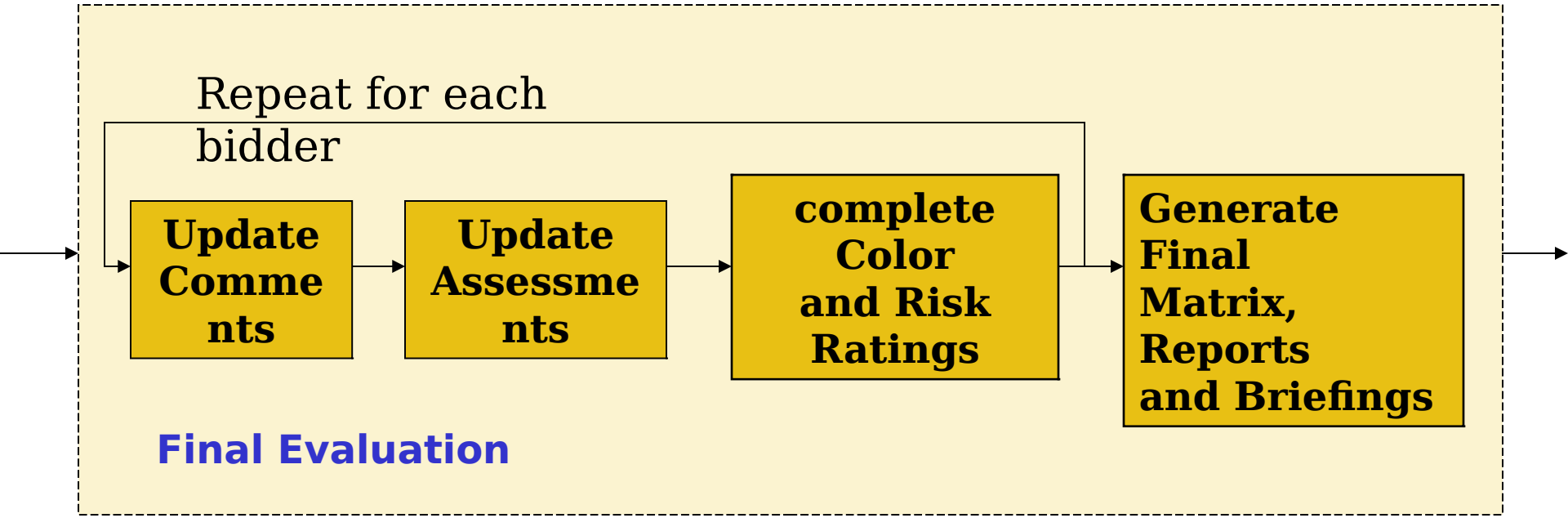
** = SSA approves release of ENs*

Discussion Phase

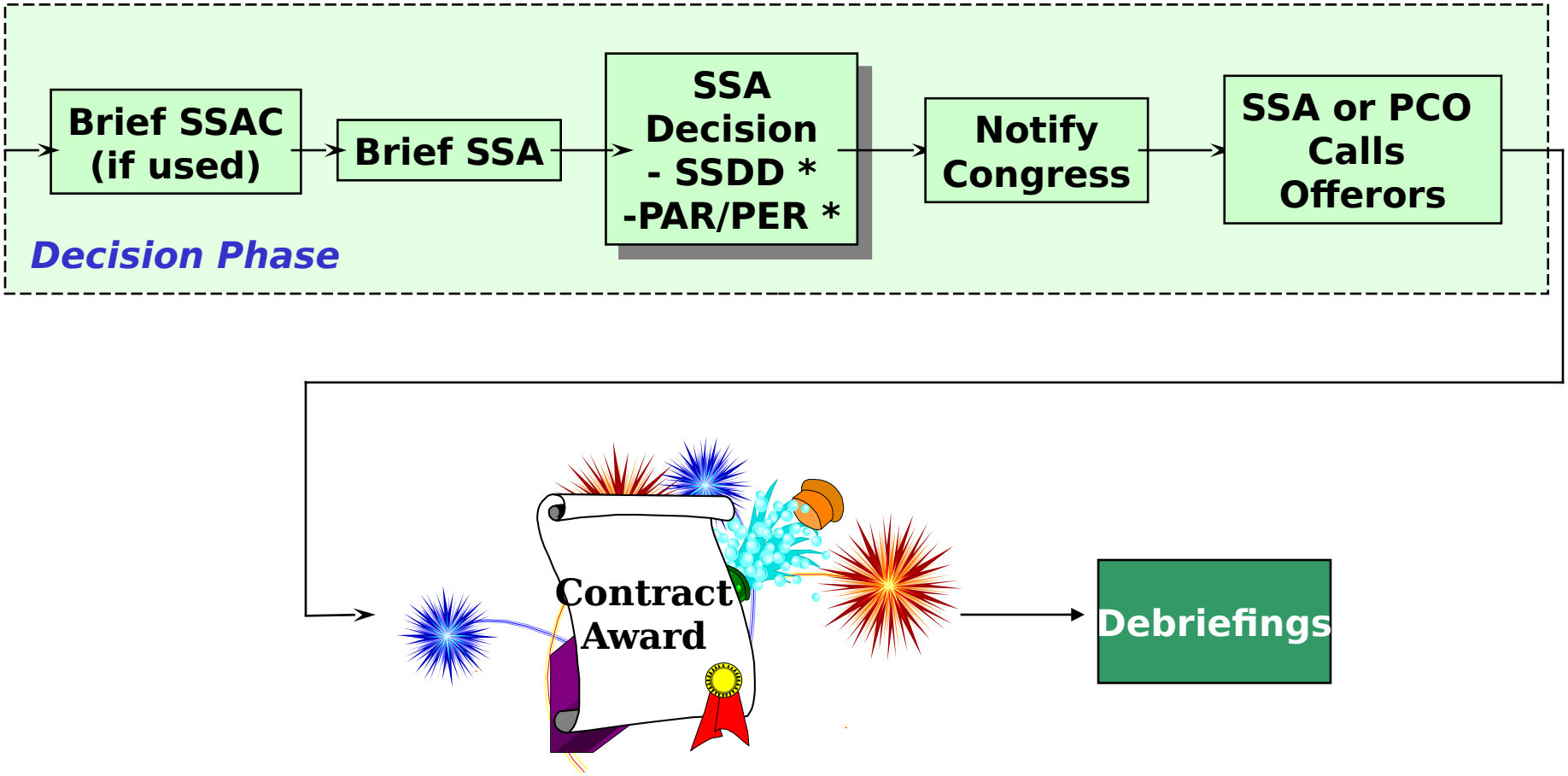

Update Comments/ Assessments/ENs
Negotiations
Start Discussions
Release ENs** to Ktrs
Receive EN Responses
Close all ENs before Requesting FPR
Request Final Proposal Revision
Brief "Rating Status" to Ktrs *
Brief SSAC & SSA on "Rating Status"
Brief "Rating Status" to Ktrs**
Discussion Phase
If The FPR Causes any New ENs, You May Decide to Reopen Discussions
•*Best Practice to brief Ktrs' status after CRD
•**Mandatory to brief Ktrs' prior to FPR

** = SSA approves release of ENs

Final Evaluation



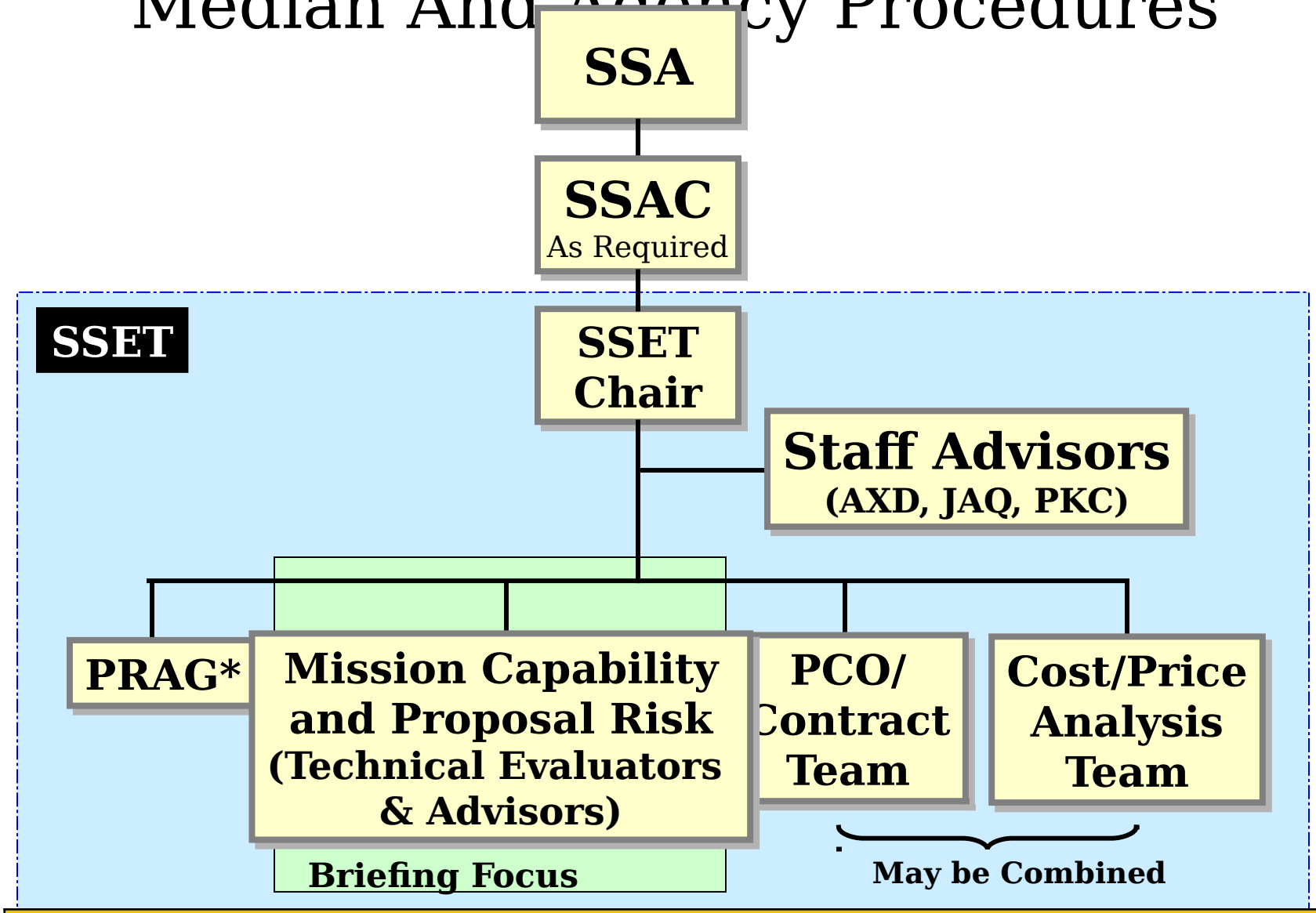
Decision Phase



* SSDD = Source Selection Decision Document,
PAR = Proposal Analysis Report, PER = Proposal Evaluation Report

Source Selection Organization

Median And Agency Procedures



* Use of PRAG to evaluate Performance Confidence is optional for Median Acquisition

Source Selection Authority (SSA)

- Approves SSP
- Approves release of Evaluation Notices (EN)
- Determines if award without discussions is appropriate
- Approves exclusion of any offeror from competitive range
- Makes source selection decision
  - Signs documentation
- Approves supporting rationale in the Source Selection Decision Document (SSDD)

Source Selection Advisory Council (SSAC)

- Reviews SSP
- Reviews evaluation and findings of SSET
- Provides advice, analysis, and recommendation (if requested) to SSA

Contracting Officer

PCO is the principal advisor to the SSET

- Determines:
  - Competitive range
  - Scope & extent of negotiations
  - Common cut-off date for final proposal revisions
- Ensures:
  - Team membership remains consistent during discussions
  - Record of oral presentations properly maintained & documented
  - Timely clearance obtained
- Assists preparation of:
  - Source Selection Decision Document (SSDD)
- Awards contract

Contracting Officer

- Conducts:
  - Exchanges
  - Negotiations
    - Interim rating status
    - Debriefings
- Evaluates:
  - Small & small disadvantaged business evaluation criteria
  - Cost or Price Factor
  - Terms & Conditions
- Manages:
  - Disclosure of source selection information (SSI)
  - All business aspects of acquisition

Source Selection Evaluation Team (SSET)

- Evaluates proposals & revisions against solicitation requirements
- Reports evaluation results to SSAC & SSA
- Prepares:
  - **Briefing charts, as applicable:**
    - **Competitive range briefing**
    - **Interim rating status briefing(s)**
    - **Decision briefing**

SSET Chair

- Assigns duties to team members
- Reviews proposals and SSET comments
- Analyzes strengths, PIs, deficiencies & weaknesses to form a subjective assessment of proposal rating and risk rating
- Reviews and recommends approval of ENs
- Assesses EN responses and disposition of ENs
- Checks for consistency

SSET Evaluators & Advisors

- Evaluators & Advisors (Government & Non-Government):
  - Non-Government Evaluators/Advisors identified in the Source Selection Plan (SSP)
  - FFRDC perform as MC/PR Evaluators -- Advisors is typical role
  - Contractor personnel can be MC/PR Evaluators/Advisors only if their contract allows them to perform these duties or there is an approved Determination/ Decision Document* (DDD)
  - Non-Govt. do not determine final ratings/assign rankings
- Staff Advisors:
  - AXD, PKC, JAG, Aerospace personnel from SMC staff that review products and provide advice to source selection teams

**SAF/AQX Memo and Policy 23 Jul 01, Subject: Air Force Advisory & Assistance Services.*

Evaluator Tasks

- Read entire proposal
- Should comment on portions of proposal not covered by advisors
- Review Advisor Comment Forms
- Consolidate, edit, combine, disregard Advisor Comments with rationale in Disposition Block of Comment Form
- Draft Assessments
- Draft ENs using comments/assessments
- Ensure that draft briefing “bullets” are detailed and descriptive of comments

MC Subfactor Chiefs & Factor Chief*

**** Note: Factor and Subfactor Chiefs are not prescribed in AFFARS Part 5315.3, typically used to organize the assessments of the SSET members***

- Subfactor Chiefs integrate inputs from Evaluators, and Advisors
  - Diisposition Evaluator and Advisor comments
  - Recommend Subfactor ratings
  - Screen and recommend ENs
  - Disposition EN resolution recommendations

- MC Factor Chief integrates all Subfactor inputs
  - Determines MC Subfactor color ratings
  - Determines Proposal Risk ratings
  - Work with PCO to complete ENs
  - Work with Cost Team on Probable Cost Analysis, if applicable

Contract Team

- **Contracting Team**
  - SSET advisors on conduct of Source Selection
  - Controls all communication to/from offerors during Source Selection
  - Evaluates Terms & Conditions
  - Determines competitive range
  - Conducts negotiations
  - Assists in preparation of Source Selection Decision Document

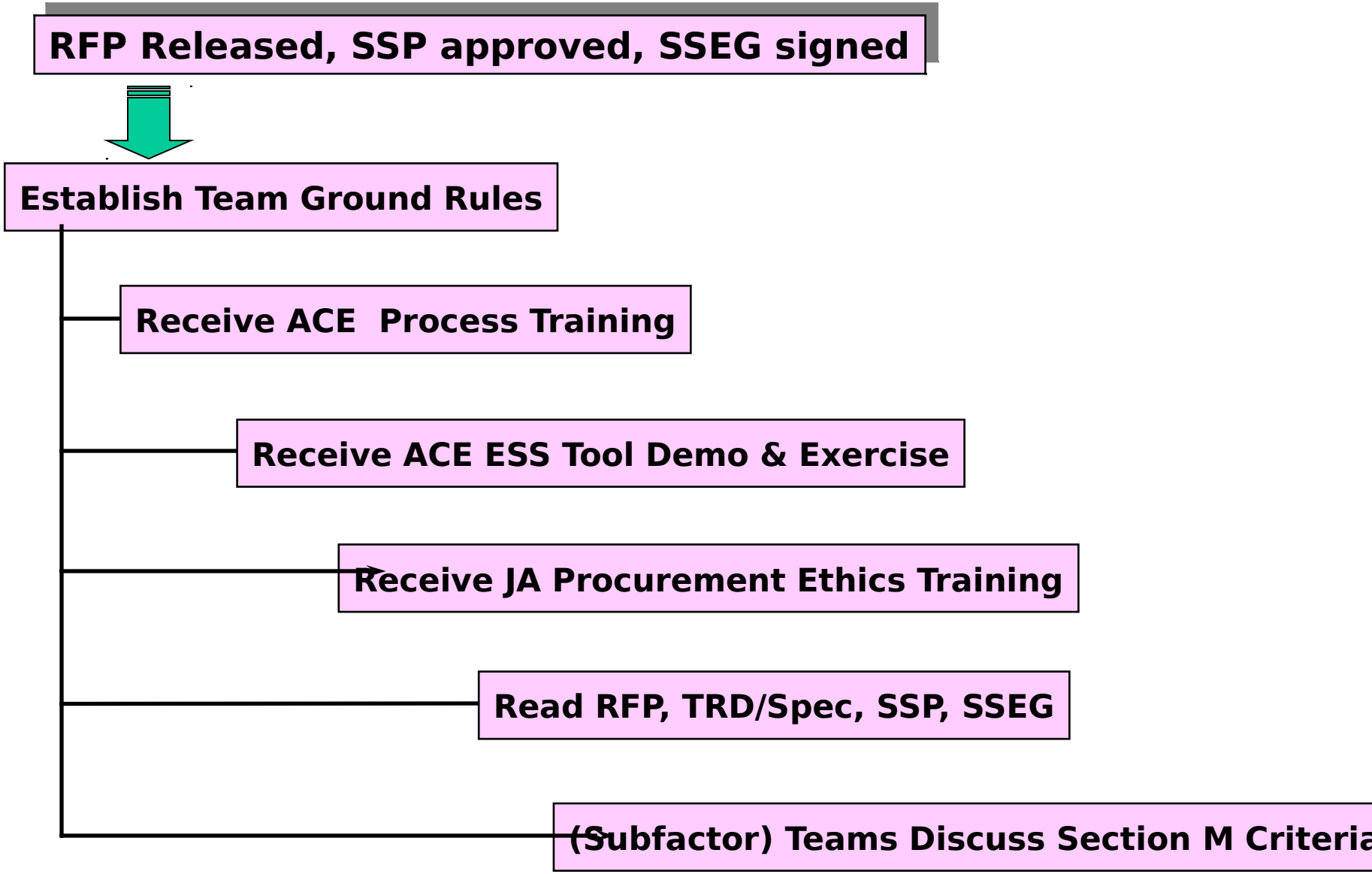
Cost/Price Factor Chief & Analysis Team

- **Cost/Price Factor Chief & Analysis Team**
  - Evaluate cost/price volume to determine price reasonableness and cost realism, if applicable
  - Determines probable cost (assess proposal risk and mission capability execution costs)
  - Uses separate processes, definitions, and ground rules
  - Entire SSET can have access to cost information

Past Performance Risk Assessment Group (PRAG)

- Membership: [AFFARS 5315.303-90(e)]
  - Experienced Government-only personnel
  - Appointed by PRAG chairperson
- Duties: [AFFARS 5315.305(a)(2)]
  - Evaluate recent, current, & relevant past performance of each offeror
  - Assess/rate Performance Confidence at Subfactor level
  - Recommend overall Past Performance Confidence rating, if requested by SSA

Preparation and Planning


RFP Released, SSP approved, SSEG signed
Establish Team Ground Rules
Receive ACE Process Training
Receive ACE ESS Tool Demo & Exercise
Receive JA Procurement Ethics Training
Read RFP, TRD/Spec, SSP, SSEG
(Subfactor) Teams Discuss Section M Criteria

Planning and Preparation (2)

1. **Read key RFP** documents
   - Government Executive Summary
   - SOO
   - RFP Sections A-K, especially:
     - SRD/TRD (Section C, if used)
     - Delivery schedule (Section F)
     - Special Contract Requirements (Section H)
   - WBS and WBS Dictionary (if used)
   - Performance Based SOW (if used)
   - CDRL (DIDs)
2. Read the **Source Selection Plan (SSP)** and Source Selection Evaluation Guide (SSEG) (if Used)

Planning and Preparation (3)

3. Read ***Section L*** - Instructions, Conditions, and Notices to Offerors or Quoters
   - Review proposal structure table
   - Specifications and TRD/SRD (if used)
   - SOW Instructions (if used)
   - IMP/IMS Instructions
   - Cost/Price Instructions
4. Study ***Section M*** - Evaluation Factors/Criteria for Award
   - Understand RFP threshold/objectives (if used)
   - Understand how criteria relate to TRD/SRD Trade Space
   - Understand the uniform baseline against which each offeror is compared
5. Understand **RFP/Proposal/Contract Document Linkage**

Initial Evaluation -- MC

- **Read Offeror's Executive Summary:**
  - Grasp themes, and general organization of proposal (if requested)
- **Read the entire MC proposal (Volume) text**
- **Review proposal against evaluation criteria in RFP Section M to assess whether proposal:**
  - *EXCEEDS*
  - *MEETS* *… based on Section M*
  - *DOES NOT CLEARLY MEET*
  - *DOES NOT MEETS*
- **Enter notes and comments into the ESS Tool**
  - Each Comment must be linked to a specific ***Section M Criteria***
- **Review all relevant portions of proposal to evaluate for all 5 aspects of Proposal Risk (PR) – use evaluation criteria**
- **Enter PR notes and comments into ESS Tool**

Initial Evaluation -- MC (2)

- Comments are the Foundation!
  - Form basis for Assessments, Ratings, and Decisions
  - Include rationale how MEETS, DOES NOT MEET, or EXCEEDS
- Evaluate proposal vs Section M -- and only Section M
  - May not evaluate what you think requirement should be
  - Some Section M criteria may be Pass/Fail
- Don’t compare proposal with one another
- Use ESS Tool to fully document audit trail
  - All Ratings must be traceable to initial comments
  - Teams have avoided protest by referencing comments

Initial Evaluation -- MC (3)

Suggested Format for Comments Narrative Box:

- **Requirement States:**
  - Paraphrase RFP Requirement
- **Offeror Stated:**
  - Paraphrase offeror's proposal; add reference location
- **Comment:**
  - For MC: Offeror MEETS, DOES NOT MEET, or EXCEEDS the requirements or CANNOT DETERMINE (DOES NOT CLEARLY MEET)
  - For PR: Approach may cause disruption of schedule, increased cost, degraded performance, or increased Gov't oversight and offeror has not mitigated risks
  - Then, include your own narrative comments and notes
- **Effect/Benefit:**
  - Not applicable if offeror met the requirements
  - What are benefits if offeror exceeded requirements?
  - What is effect/detriment if offeror failed to meet requirements?
  - What is impact of Proposal Risk? Ex: Degree of added Govt oversight

Initial Evaluation – MC (4)

Additional Guidelines for Comments:

- Must be direct and concise “For the record”
- Ensure comment is for the ***correct*** ***Section*** ***M requirement/ criteria***
- Each comment should contain one complete thought
- **Do not bundle** several comments about different criteria into one Comment Form
- Identify ***references*** (RFP & proposal paragraph numbers)
- Suggest type of comment (Strength, Proposal Inadequacy (PI), etc.)
- Use descriptive bullet for title
- Record disposition of all comments, notes, and ENs

Initial Evaluation -- Proposal Risk

- **Proposal Risk includes 5 key aspects:**
  - Schedule
  - Cost
  - Performance
  - Offeror's Risk Mitigation Plans
  - Gov't oversight -- result or impact of risky approach
- **Where to Look**
  - Schedule (IMS)
  - Cost (Cost Volume)
  - Performance (MC Volume)
  - Offeror's "Risk Mitigation"/Handling plans (MC Volume)
  - Gov't oversight probability (All)

Initial Evaluation--Proposal Risk (2)

MC versus PR

- Mission Capability color rating is based upon a comparison against Section M criteria for MC
  - "Does their approach ***meet/exceed*** our requirement?"

- Proposal risk is an assessment of the risk of implementing the proposed approach
  - "Will their approach work?"
  - Integrated evaluation of approach, risk mitigation, schedule, and cost
  - "Will their approach result in the need for increased Gov't oversight?"

Initial Evaluation--Proposal Risk (3)

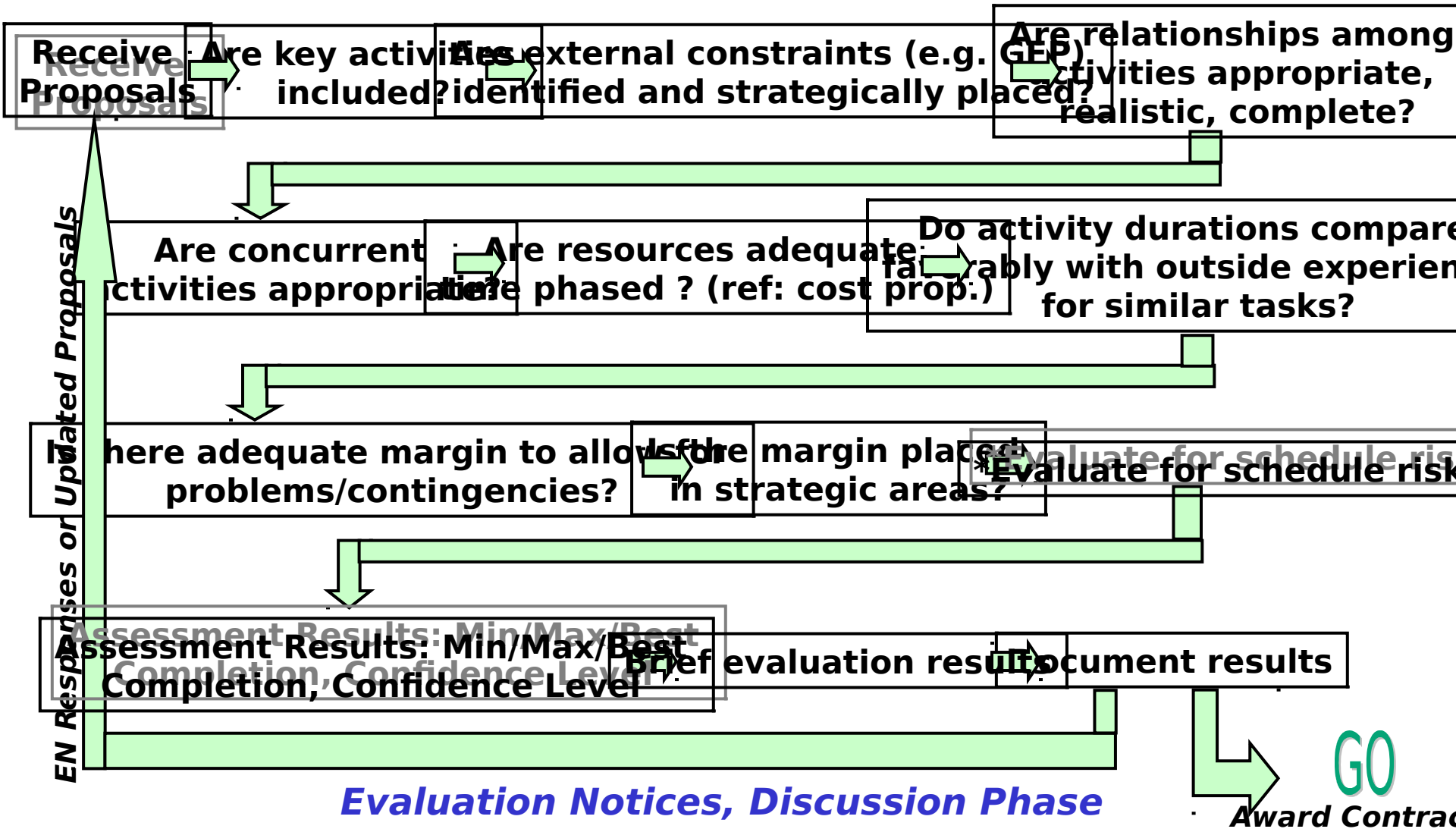
- **Some Causes of Proposal Risk:**
  - Under-manning the effort
  - Incorrect skill mix
  - Training and personnel certification
  - IMP has poor integration
  - Poor integration within IMS (i.e., activity relationships aren’t logical)

Initial Evaluation -- IMP

INTEGRATED MASTER PLAN

- Are key aspects and activities of proposal in IMP?
  - Try to map events from MC Volume into IMP including processes/tasks (e.g., risk management)
  - "If it's in the 'tech proposal' but not in the IMP, it may only be a promise" (IMP becomes contract attachment)
- Are risk mitigation plans in IMP?
- Are key aspects of Cost Proposal in IMP?
  - Depth & breadth of costs represented in IMP
  - Sufficient resources/costs for parallel activities
  - Sufficient $$ for test assets and risk mitigation plans

Initial Evaluation -- IMS


Receive Proposals
Are key activities included?
Are external constraints (e.g. GFP) identified and strategically placed?
Are relationships among activities appropriate, realistic, complete?
Are concurrent activities appropriate?
Are resources adequate; time phased ? (ref: cost prop.)
Do activity durations compare favorably with outside experience for similar tasks?
Is there adequate margin to allow for problems/contingencies?
Is the margin placed in strategic areas?
Evaluate for schedule risk
Assessment Results: Min/Max/Best Completion, Confidence Level
Brief evaluation results
Document results
EN Responses or Updated Proposals
Evaluation Notices, Discussion Phase
GO
Award Contrac

Reviewing and Integrating Comments

- Check for traceability between Proposal, IMP, Contractor SOW, schedule (IMS), WBS, and requirement(s)
- Cross-check proposal features in MC Volume with details in Basis of Estimates (BOE) and Cost/Price Volume
  - ***MC/PR team members should interact closely with cost team members***
- Check all Specs and requirements documents in SOW, Section C, or even Bidder's Library
  - Ensure that all requirements are addressed in the Offeror's "Proposed" Specification (if requested in RFP)

Note: If you are looking for a specific aspect and don't see it, check the Section L to make sure we asked for it

Generate Initial Ratings

- Avoid bias for/against any Offeror
- Everything must be traceable to the RFP (Sects. L &M)
- Evaluate only the proposal information, not supplemental information
- Be objective -- evaluate proposal on the basis of what we asked for, not what we would like to see
- Be thorough -- a proposal must directly reflect fulfillment of all solicitation requirements
- **Document** -- all observations and perceptions you see relating to the proposal
- SSET must ensure comprehensive audit trail
- Ensure consistency across Offerors

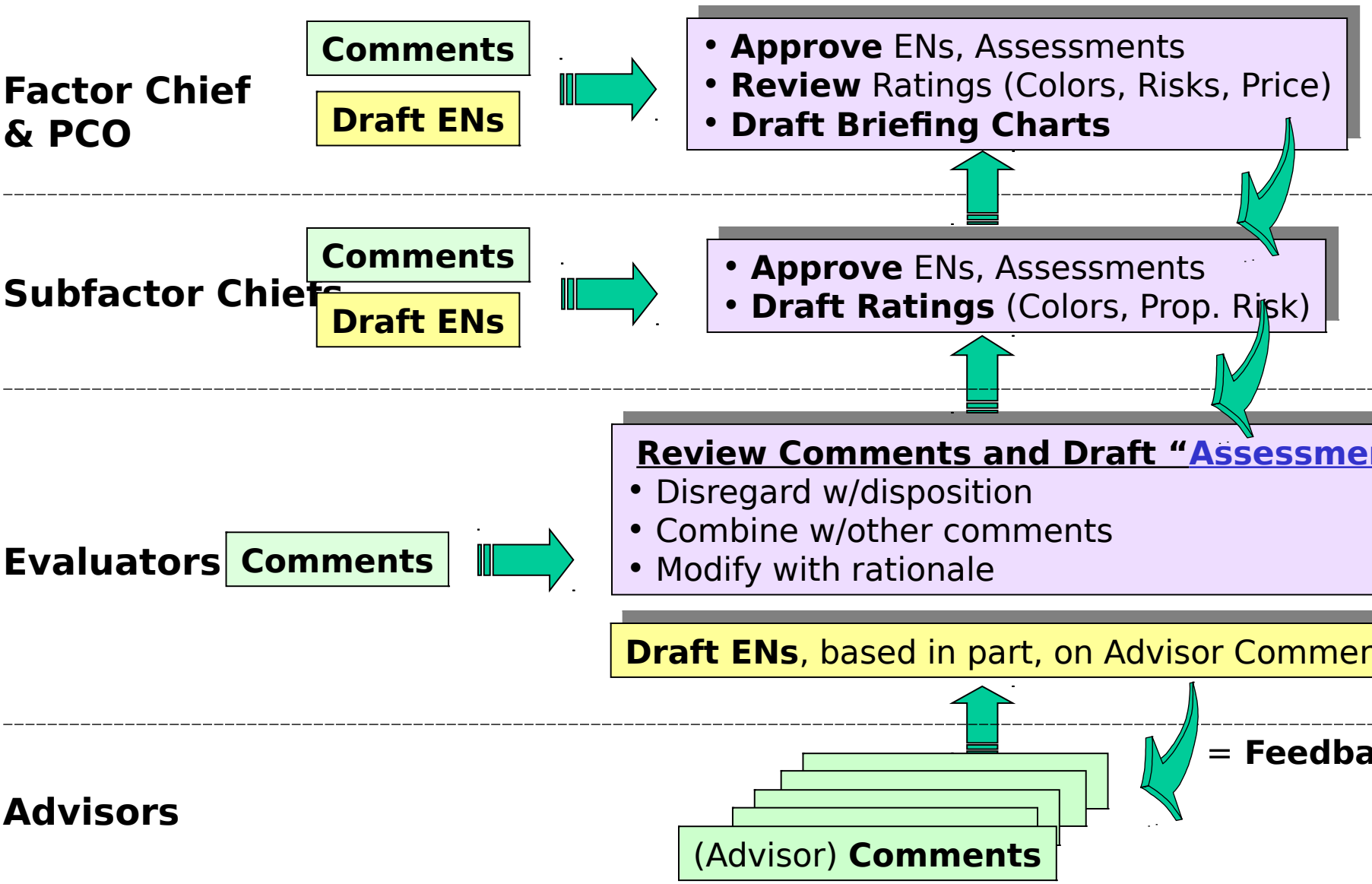
Generate Initial Ratings (2)

- **Regarding PI and Deficiencies:**
  - If requirement is **not met**, it is likely a Deficiency
  - If approach to meet a requirement is **too unclear** to evaluate for impact to cost, schedule, or performance, it is likely a Proposal Inadequacy (PI)
  - If the Offeror does **not exhibit clear understanding** of a requirement, it may be a proposal inadequacy.
  - If any Proposal Inadequacy (PI) is **un-resolvable**, it may become a deficiency

Evaluation Notices

- Evaluation Notices (ENs) constitute **Exchanges** with offerors
  - Ask the contractor questions about a proposal
  - Insufficient information to make a determination
  - Ensure each is necessary
  - Point out a short-coming in the proposal
  - Resolve conflicts between different proposal parts
- Question: will it affect rating(s) if answered properly?
- In addition to hardcopy, ask for softcopy of EN Responses
  - Text of response can be copied into ESS Tool easily

"Rollup"



With "Suggested Questions"

Discussions Phase

- Best Practice: Presenting offeror their portion of competitive range brief has greatly aided Discussions
  - "For all ACAT program source selections, the SSET, through the contracting officer, **may** provide to all offerors in the competitive range their rating status at the time of competitive range determination, and **shall** provide to all offerors in the competitive range their rating status at the end of discussions" [AFFARS 5315.306(d)(3)]. *[emphasis added]*
- Requesting FPR with **"YELLOW"** (not sure requirement met) proposal ratings should be rare
- Ensure offeror fully understands Yellow/Red rationale

Discussions Phase (2)

- **Negotiations:**
  - are exchanges, that are undertaken with the intent of allowing the offeror to **revise its proposal**. These negotiations may include bargaining.

- **Bargaining**:
  - includes persuasion, alteration of assumptions and positions, give-and-take, and may apply to price, schedule, technical requirements, type of contract, or other terms of a proposed contract FAR 15.306(d).

Discussions Phase (3)

Lessons Learned from Negotiations:

- In “Comp Range” brief, capture what may be traded later in negotiations
- Document the negotiation strategy/plan
  - What we want changed, what we are flexible on & can trade
  - Our plan on how to get where we want to go
  - Helps the team focus and prevents getting mixed up during face-to-face negotiations
- Consider: improvements that benefit Gov’t and trade-offs that significantly reduce costs
- Take notes and track changes to contract including “terms and conditions,” billing, GFP, etc.

Technical Leveling (Okay)

FAR 15.306(e)(2) establishes “Limits on Exchanges”

- May negotiate with offerors for **increased performance** beyond any mandatory minimums (thresholds)
- May suggest to offerors that have exceeded minimums (thresholds), that proposals would be more competitive if excesses were removed and price was decreased
- Be careful not to penalize for lower performance
- In essence “leveling” is measured and applied against the performance/capability requirements only

Transfusion (Not Allowed)

(e) *Limits on exchanges.* Government personnel involved in the acquisition shall not engage in conduct that –

(1) **Favors** one offeror over another;
(2) **Reveals an offeror's technical solution**, including unique technology, innovative and unique uses of commercial items, or any information that would compromise an offeror's intellectual property to another offeror;
(3) **Reveals an offerors price** without that offeror's permission. However, the contracting officer may inform an offeror that its price is considered by the Government to be too high, or too low, and reveal the results of the analysis supporting that conclusion. It is also permissible, at the Government's discretion, to indicate to all offerors the cost or price that the Government's price analysis, market research, and other reviews have identified as reasonable [41 U.S.C.423(h)(1)(2)];
(4) **Reveals the names of individuals** providing reference information about an offeror's past performance; or
(**5) Knowingly furnishes source selection information** in

Decision Phase

- **Complete Draft PER or PAR** – Analysis and Comparatives
  - Incorporate/Disposition SSET/SSAC recommendations
  - Present recommendations in decision briefing
  - If SSA does not agree, update PAR and provide responses to SSA
- **Draft SS Decision Briefing and SSDD** – Integrated Assessment/Decision trail
  - Present SSDD to SSDD with recommendations in decision briefing
  - If SSA does not agree, update SSDD and report back to SSA
- **Complete Price Competition Memorandum (PCM) or Price Negotiation Memorandum (PNM), as appropriate**
- **Normal notifications**:
  - Congress notified of successful offerors(s)
  - SSA calls offerors soon after decision/Congressional notification
  - PCO confirms decision in writing

Briefings

- SSAC:
  - Review and “challenge” logic in SSET briefing
  - Can suggest changes to briefing
  - May offer alternative briefing/recommendation(s)
- “Dry-Run” briefings with “whole team” before SSAC
  - Discuss/review any changes with SSET from SSAC
- SSET should review and discuss pre-FPR “Interim Rating Status” given to SSA and to offerors
- SSA should review all briefings to offerors
- Briefing slides from the data in ESS Tool (copy & paste)
  - Optional: Brief with the ESS Tool available

Debriefings

- SSA or SSAC Chair should lead debriefing delegation
- Use the Charts From the SSA Decision Briefing
  - Show each Offeror his Strengths/Deficiencies/Weaknesses
  - If show strengths/deficiencies/weaknesses of successful offeror, get concurrence from winner to ensure no transfer of proprietary information
- Offerors have appreciated debrief at their facility
- Do not allow extensive discussion (arguments)
- Taking ESS data base along helps
- Detailed audit trail can be used to show offeror specific comments
- Some contractors will be emotional about losing
- Don’t mention Winner’s attributes if not on charts
- Avoid comparing proposals!

Source Selection Factors Mandatory (Agency/Median SS)

- **Mission Capability (MC)** ***REVISIT***
  - Programmatic, Performance, and Business Aspects
- **Proposal Risk (PR)**

  Indicator of an Offeror's ability to execute the program within the proposed cost schedule, and performance baselines

- **Past Performance**

  Historical evidence of recent and relevant contract performance
- **Price/Cost**

  Most likely cost to the Government to perform proposed effort at contract completion

Each Factor uses a different evaluation process and definitions.

Mission Capability Definitions

- **STRENGTH** - AFFARS 5315.001
  - A significant, outstanding, or exceptional aspect of an offeror's proposal that has merit and exceeds specified performance or capability requirements in a way beneficial to the Air Force, and either will be included in the contract or inherent in offeror's process.
- **PROPOSAL INADEQUACY (PI)** - AFFARS 5315.001
  - An aspect or omission from an offeror's proposal that may contribute to a failure in meeting specified minimum performance or capability requirements.
- **MISSION CAPABILITY (MC) DEFICIENCY** - FAR 15.001
  - A material failure of a proposal to meet a Government requirement

MISSION CAPABILITY RATINGS

AFFARS 5315.305(a)(3) and Table 5315-3

EXCEPTIONAL

EXCEEDS specified minimum performance or capability *REQUIREMENTS* in a way *BENEFICIAL* to the Air Force

- No Deficiencies
- "Blue" driven by degree of benefit to Govt
- One or more Strengths (one may not be enough)

ACCEPTABLE

MEETS specified minimum performance or capability *REQUIREMENTS* necessary for acceptable contract performance

- No Deficiencies
- May have Strength(s) insufficient to justify "Blue"

MISSION CAPABILITY RATINGS

AFFARS 5315.305(a)(3) and Table 5315-3

MARGINAL

DOES NOT CLEARLY MEET some specified minimum performance or capability *REQUIREMENTS* .. but any proposal **inadequacies are correctable**

- No deficiencies
- One or more proposal inadequacies drives yellow rating
  - Proposal Inadequacy = An aspect or omission … that may contribute to a failure in meeting specified minimum performance or capability requirements.
- Discussions should resolve most (if not all) Yellows
- Contract is “awardable” with yellow rating

UNACCEPTABLE

FAILS TO MEET specified minimum performance or capability *REQUIREMENTS*. Proposals with an unacceptable rating are NOT AWARDABLE

- Deficiency -- fails to meet one or more requirements
- Degree of failure: Egregious to very minor; described in narrat

Proposal Risk Assessment Defined

AFFARS 5315.305 (a)(3)(B)

"**Proposal risk** assessment focuses on the risks and weaknesses associated with an offeror's proposed approach. Assessment of risk is done at the sub-factor (or element, if used) level, and includes potential for disruption of schedule, increased cost, degradation of performance and the need for increased Government oversight as well as the likelihood of unsuccessful contract performance. For any risk identified, the evaluation must address the offeror's proposal for mitigating those risks and why that approach is or is not manageable…." *[emphasis added]*

Proposal Risk

(FAR 15.001) and AFFARS 5315.305 (a)(3)(B)

- **NO WEAKNESSES**
- **WEAKNESS**
  - A flaw(s) in a proposal that increases the risk of unsuccessful contract performance
- **SIGNIFICANT WEAKNESS**
  - A flaw in a proposal that appreciably increases the risk of unsuccessful contract performance *[emphasis added]*
- **PROPOSAL RISK (PR) DEFICIENCY** (FAR Part 15.001)
  - A combination of Significant Weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level

MC & PR: THE DIFFERENCES

	MISSION CAPABILITY	PROPOSAL RISK
FOCUS	DOES THE PROMISED PERFORMANCE MEET *THE* SOLICITATION *REQUIREMENTS*?	WHAT ARE *THE RISKS* OF MEETING SOLICITATION RQMTS IF PERFORMED AS PROMISED?
ISSUE	WHAT IS *QUALITY OF* PERFORMANCE-BASED *OUTCOME*?	WHAT RISKS ARE INHERENT IN OFFEROR'S *APPROACH*?
ASSESS-MENT	(MEETS) STRENGTH PROPOSAL INADEQUACY MC DEFICIENCY	(NO WEAKNESSES) WEAKNESS SIGNIFICANT WEAKNESS PR DEFICIENCY
RATING	BLUE GREEN YELLOW RED	LOW MODERATE HIGH

Past Performance Ratings

AFFARS 5315.305(a)(2)(A-E) and Table 5315-2

Exceptional/ High Confidence	Based on the offeror's performance record, essentially no doubt exists that the offeror will successfully perform the required effort
Very Good/ Significant Confidence	Based on the offeror's performance record, little doubt exists that the offeror will successfully perform the required effort
Satisfactory/ Confidenc	Based on the offeror's performance record, some doubt

(continued on next page)

Past Performance Ratings

AFFARS 5315.305(a)(2)(A-E) and Table 5315-2

Neutral/ Unknown Confidence	No performance record identifiable [See FAR 15.305(a)(2)(iii) & (iv)]
Marginal/ Little Confidence	Based on the offeror's performance record, substan doubt exists that the offeror will successfully perfor the required effort. Changes to the offeror's existin processes may be necessary in order to achieve con requirements
Unsatisfactory/ No Confidence	Based on the offeror's performance record, extreme exists that the offeror will successfully perform the required effort

Relevancy/Recency/Performance

- Evaluation should be constrained to the most **recent** and relevant contracts/programs for a comprehensive review

- In determining **relevancy**, consideration should be given but not limited to such things as product similarity, product complexity, contract type, program phase, contract environment, division of company proposing, and subcontractor interaction.

- Evaluation of offerors' **performance** should focus on demonstrated performance in these specific of Evaluation Criteria

Proposal Risk Ratings

AFFARS 5315.305(a)(3)(B) and Table 5315-4

- **High**

  Likely to cause **significant disruption** of schedule, increased cost or degradation of performance. Risk may be unacceptable even with special contractor emphasis and close Government monitoring

- **Moderate**

  Can potentially cause **some disruption** of schedule, increased cost, or degradation of performance. Special contractor emphasis and close Government monitoring will probably be able to overcome difficulties

- **Low**

  Has little potential to **cause disruption** of schedule, increased cost or degradation of performance Normal contractor effort and normal Government monitoring will probably be able to overcome difficulties

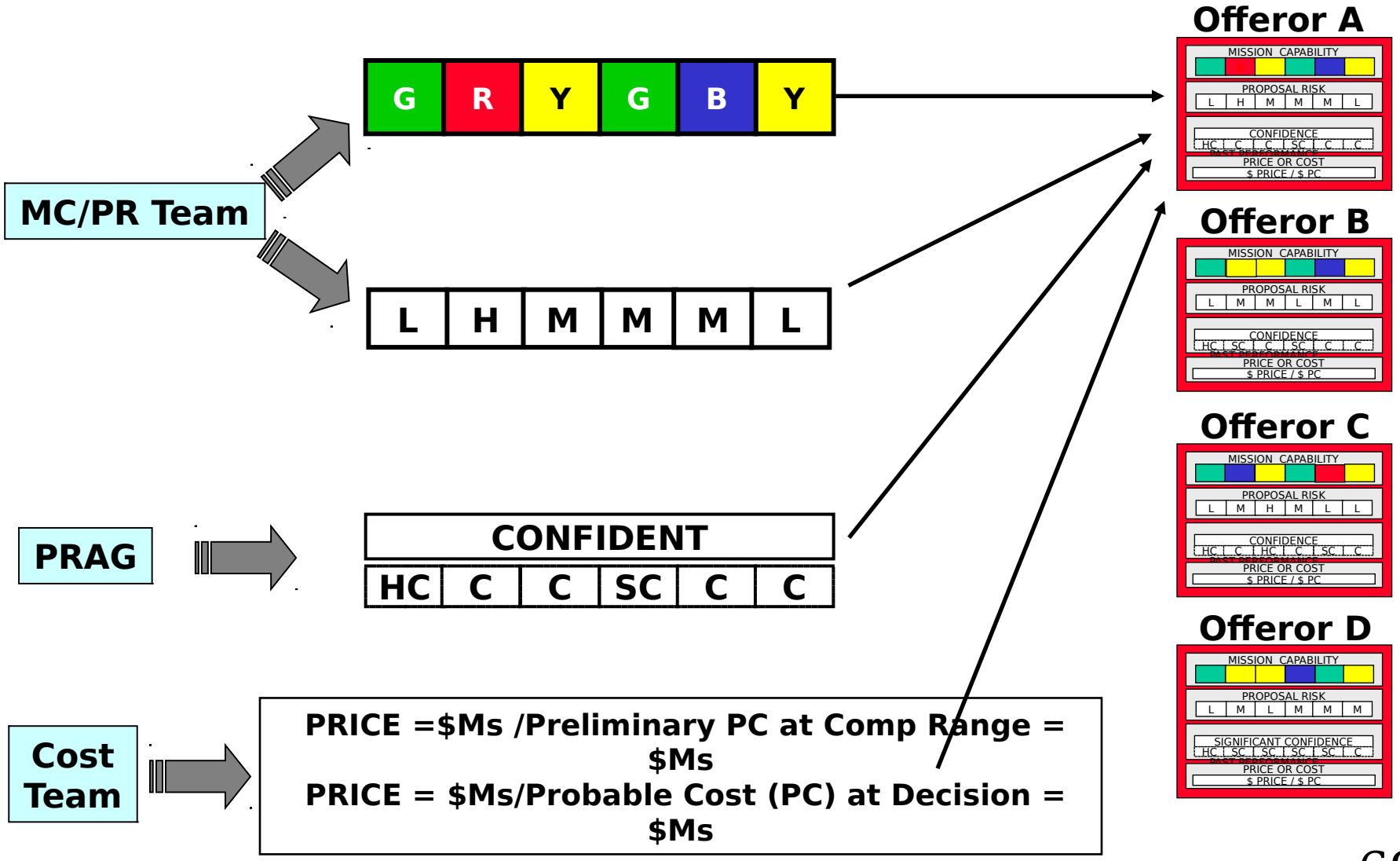
Cost/Price Definitions

(FAR 15.305(a)(1)

Cost/Price Reasonableness

- ***-- Firm-fixed-price or fixed-price with economic price adjustment basis contracts***
  - Normally, **competition establishes** **"Price reasonableness"**
  - Comparison of the proposed prices will usually satisfy the requirement to perform a price analysis, and a cost analysis need not be performed.
- **Cost Realism Analysis**
  - ***Required for cost-reimbursement contracts:***
  - -- An assessment that proposed price appropriately considers scope and degree of effort.
  - -- As elected by PCO, contracting on a cost-reimbursement basis, evaluations shall include a cost realism analysis to determine what the Government should realistically expect to pay for the proposed effort…it includes the offeror's understanding of the work and the offeror's ability to perform the contract
  - -- May be considered for FPIF or other competitive fixed-price-type contracts
  - -- Measured in **"Probable Cost"**

Integrating the Ratings



Final Advice

- **Avoid bias -- offeror to offeror, especially in the PAR or PER**
- **Everything must be traceable to the RFP (Sects. L & M)**
- **Evaluate only the proposal information, not extraneous or supplemental information**
- **Evaluate proposal on the basis of what we asked for, not what we would like to see**
- **Be thorough -- a proposal must directly reflect fulfillment of all solicitation requirements**
- **Document, document -- all observations and perceptions you see relating to the proposal**

Personal Implications

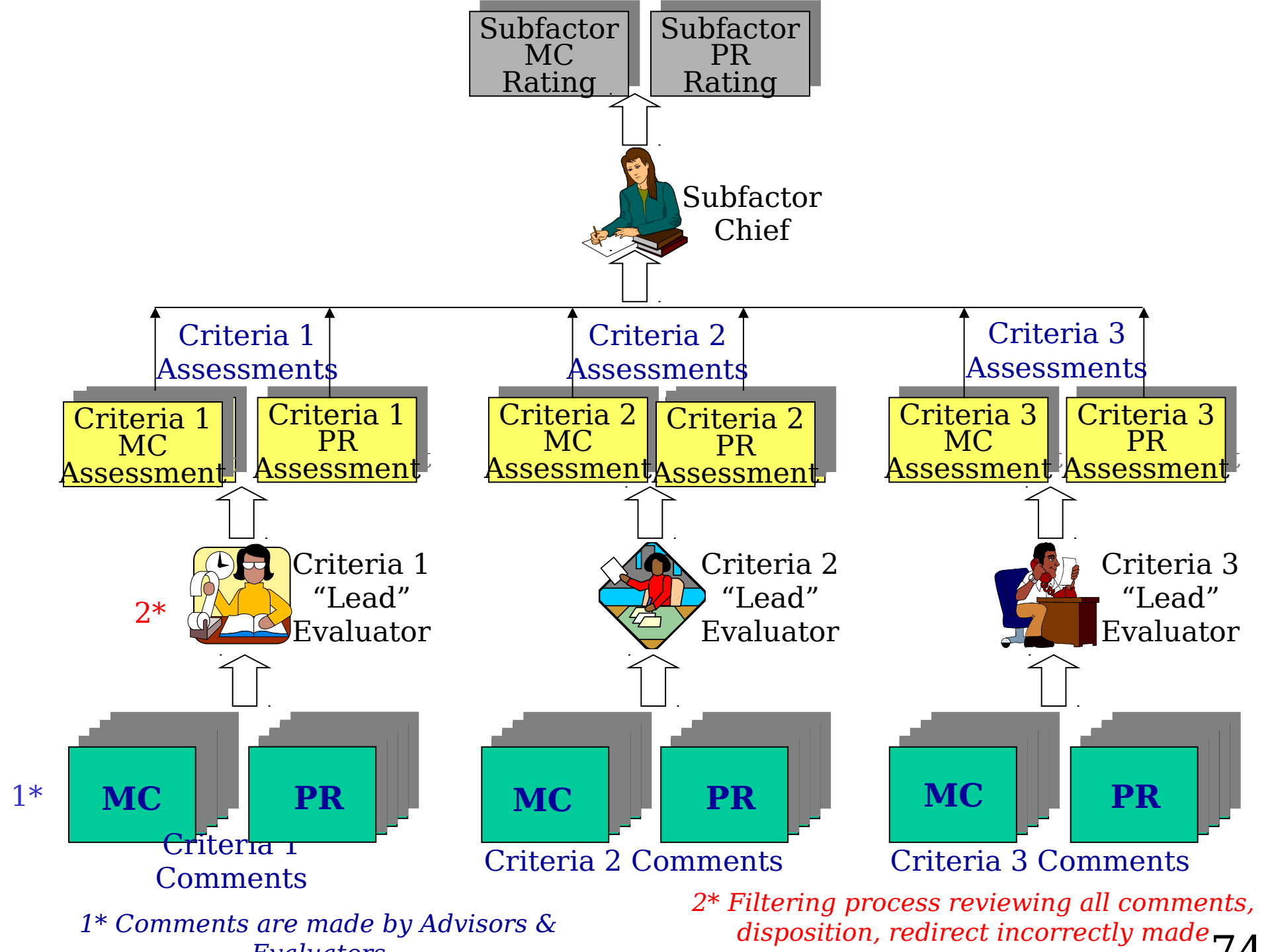
BACK-UP

Assigning Evaluators & Advisors

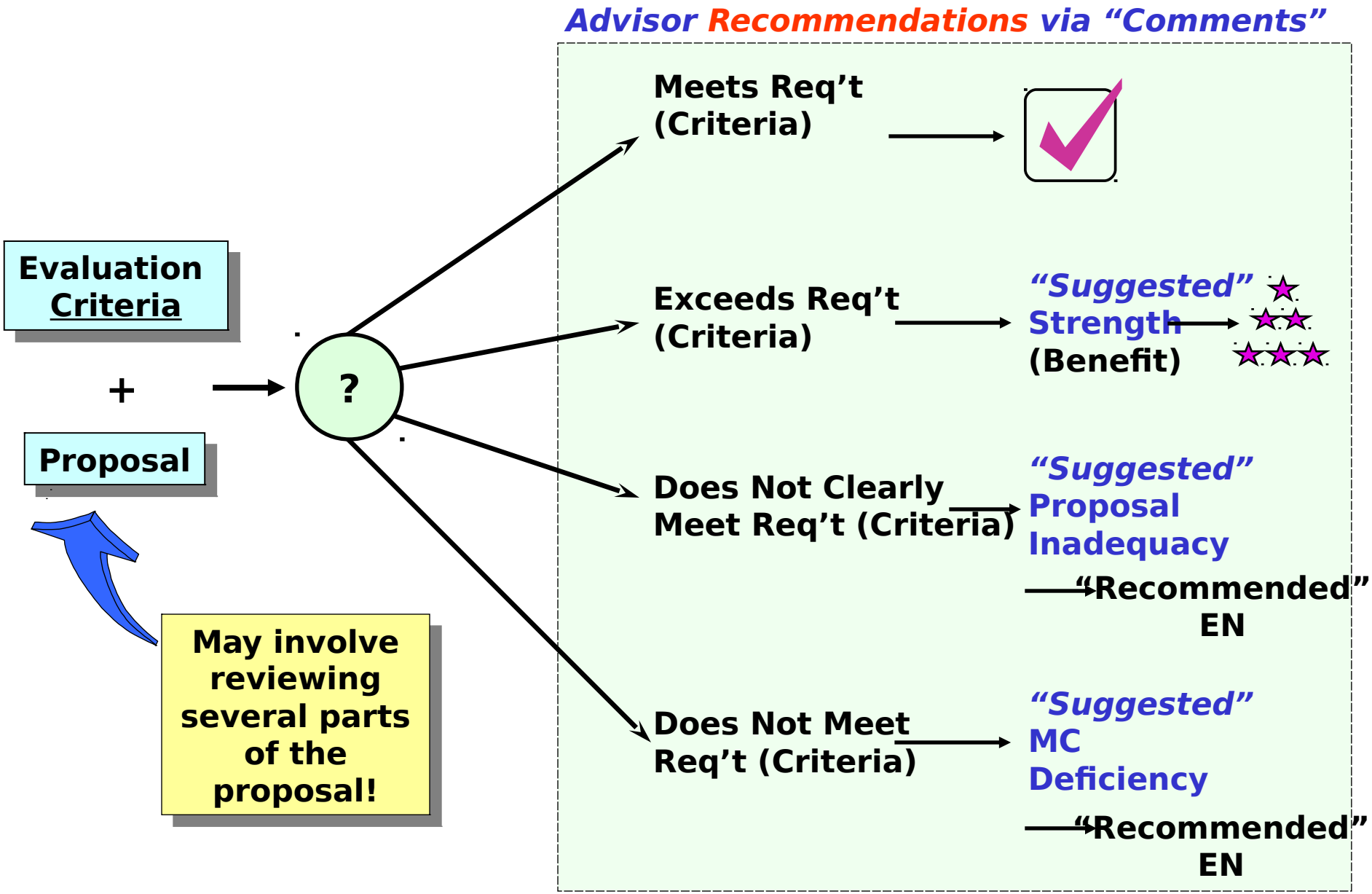
"Access to offeror proposals must be restricted to only those portions for which the advisor's expertise is required in the evaluation." (5315.303-90 (g) (1))

		Evaluators and Advisors							
		Sam	Jim	Shelia	Phillis	Bob	Bill	Harry	Linda
Eval or Adv?		**E**	**A**	**A**	**E**	**A**	**E**	**E**	**A**
Sub-Factor 1									
	Criteria a	P	A	A					
	Criteria b		P	A					
	Criteria c	P		A					
	Criteria d				P	A			
	Criteria e				P	A			
	Criteria f			P	A	A			
	Criteria g						P	A	
	Criteria h							P	A
	Criteria I						A	P	
		Phil	Dave	Steve	John	Bob	Stephanie		
Eval or Adv?		**E**	**A**	**E**	**A**	**E**	**A**		
Sub-Factor 2									
	Criteria a	P	A						
	Criteria b	P	A						
	Criteria c			P	A				
	Criteria d			P	A				
	Criteria e					P	A		
	Criteria f					P	A		

This approach can ensure that every criteria is covered

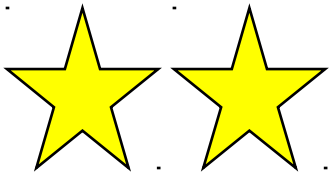

Subfactor MC Rating
Subfactor PR Rating
Subfactor Chief
Criteria 1 Assessments
Criteria 2 Assessments
Criteria 3 Assessments
Criteria 1 MC Assessment
Criteria 1 PR Assessment
Criteria 2 MC Assessment
Criteria 2 PR Assessment
Criteria 3 MC Assessment
Criteria 3 PR Assessment
2*
Criteria 1 "Lead" Evaluator
Criteria 2 "Lead" Evaluator
Criteria 3 "Lead" Evaluator
1*
MC
PR
MC
PR
MC
PR
Criteria 1 Comments
Criteria 2 Comments
Criteria 3 Comments
1* Comments are made by Advisors & Evaluators
2* Filtering process reviewing all comments, disposition, redirect incorrectly made

MC "Thought Process"



Mission Capability
Strength “Stars” *

Exceeds requirement with <u>minor</u> benefit to the Air Force



Exceeds requirement with <u>moderate</u> benefit to the Air Force

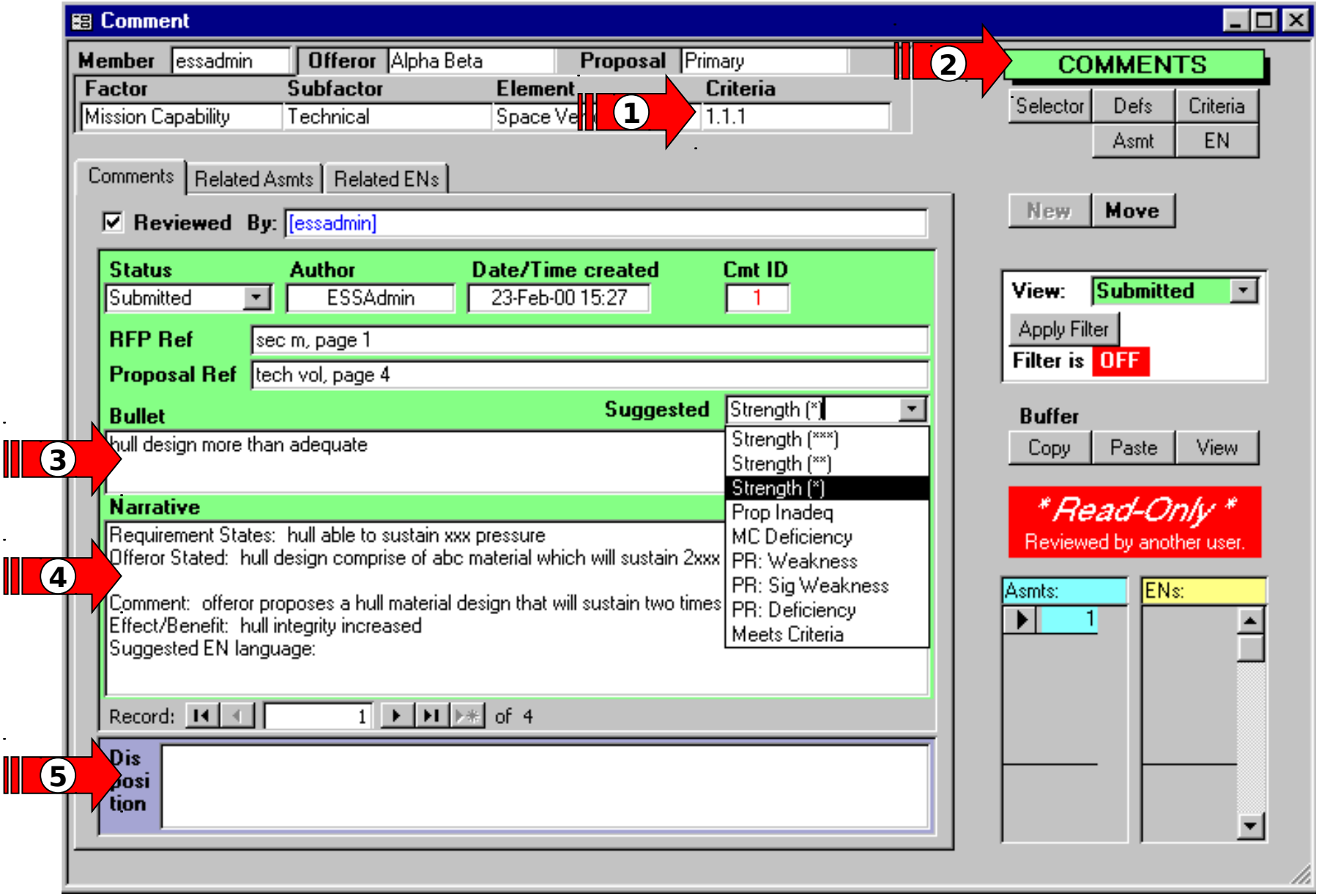
Exceeds requirement with <u>major</u> benefit to the Air Force

* SMC practice is to subjectively assign “Stars” to strengths to stratify benefits to the Air Force

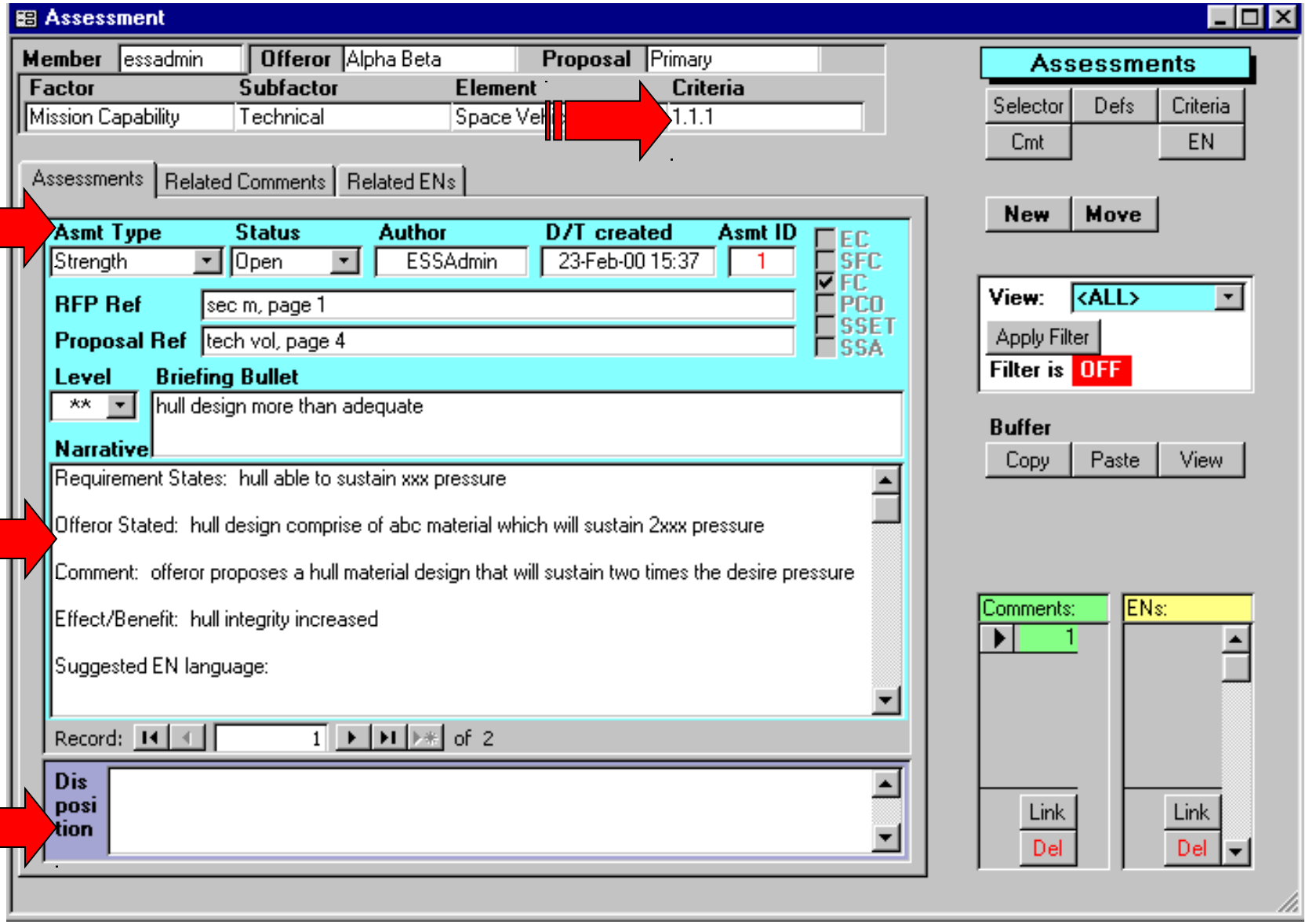
Initial Evaluation -- IMS

- Helpful hints for evaluating the schedule (IMS):
- Print the network schedule on “oversize” paper using plotter
  - Plotter available for use in ASOC (Bldg 120)
- Hang on wall of ESS Facility
- Mark off areas of the schedule that correspond to MC Sub-Factors
- Sub-Factor Teams evaluate “their” portion of the schedule using process defined on previous slide
- Integrate results from assessment of other parts of the proposal:
  - GFP annex
  - Cost volume
  - IMP

Comment Form



Assessment Form



Evaluation Notice Form